

July 25, 2024

## Q1FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	HOLD		HOLD	
Target Price	791		815	
Sales (Rs. m)	26,179	30,595	27,236	32,240
% Chng.	(3.9)	(5.1)		
EBITDA (Rs. m)	3,957	5,020	4,395	5,548
% Chng.	(10.0)	(9.5)		
EPS (Rs.)	3.8	6.3	5.9	8.9
% Chng.	(36.1)	(29.8)		

### Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. m)	22,775	23,909	26,179	30,595
EBITDA (Rs. m)	3,734	3,684	3,957	5,020
Margin (%)	16.4	15.4	15.1	16.4
PAT (Rs. m)	1,110	692	585	977
EPS (Rs.)	7.1	4.4	3.8	6.3
Gr. (%)	(6,759.0)	(37.6)	(15.4)	66.9
DPS (Rs.)	-	3.4	1.3	2.2
Yield (%)	-	0.4	0.2	0.3
RoE (%)	21.6	12.0	9.7	15.0
RoCE (%)	30.8	23.3	22.7	30.4
EV/Sales (x)	5.7	5.5	5.0	4.3
EV/EBITDA (x)	34.9	35.5	33.2	26.1
PE (x)	117.1	187.7	221.9	133.0
P/BV (x)	23.0	22.1	21.0	19.0

### Key Data WEST.BO | WESTLIFE IN

52-W High / Low	Rs.1,025 / Rs.701
Sensex / Nifty	80,040 / 24,406
Market Cap	Rs.130bn/ \$ 1,552m
Shares Outstanding	156m
3M Avg. Daily Value	Rs.137.66m

### Shareholding Pattern (%)

Promoter's	56.28
Foreign	11.60
Domestic Institution	23.01
Public & Others	9.11
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(5.3)	0.6	(7.6)
Relative	(7.7)	(11.1)	(23.4)

### Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

### Vishwa Solanki

vishwasolanki@plindia.com | 91-22-66322244

### Hasti Savla

hastisavla@plindia.com |

## Recovery yet to set in

### Quick Pointers:

- SSG declined by 6.7% amidst poor sentiment in 1Q, expect slow recovery with normalization only after 2HFY25
- WFL to add 40-45 stores in FY25 with target of total 580-630 stores by CY27

**We cut FY25/26 EPS estimates by 36.1%/29.8% following decline of 6.7% in SSG, pressure on margins and benign growth outlook in 1H25. Sales were affected by sustained poor sentiments in some geographies (70-80 stores) led by external issues (Geopolitical), improvement is happening at a slower rate. We expect WFL to return to positive SSG by fag end of 3Q only, which along with higher overheads on new stores and accelerated store openings will affect margins and profitability in 1H25. We note that sales/store/Qtr has declined to ~16mn from a peak of Rs18mn and recovery in it is key for margin reversal. WFL does not have any inflationary pressures; however, reversal in demand trends might take a tad longer due to competitive pressures.**

**Long term growth drivers remain intact with focus on 1) Burger, chicken and Coffee combos and Mcsaver meals 2) guidance of 580-630 stores by CY27 (40/45 in FY25) 2) menu innovations in café & value burgers with limited edition launches and offers from time to time 3) increased traction in fried chicken and 4) flexibility of format with relevance across Metros, Tier 1, Mid-tier towns and Highways. We estimate EPS CAGR of 25.7% over FY24-26E. We assign DCF based target price of Rs791 (Rs815 earlier) Retain 'Hold', but expect back ended returns linked to sales recovery.**

**Revenue up 0.3%, SSG at -6.7%:** Revenues grew by 0.3% YoY to Rs6.2bn (PLe: Rs6.16bn). Gross margins expanded by 21bps YoY to 70.8% (PLe: 70.8%). EBITDA declined by 24.5% YoY to Rs786mn (PLe:Rs786mn); Margins contracted by 419bps YoY to 12.8% (PLe:12.5%). Adjusted PAT declined by 88.7% YoY to Rs33mn (PLe: Rs25mn).

**Concall Takeaways:** 1) WDL SSG declined by 6.7% led by tepid demand with external issues still impacting the footfalls in 70-80 stores, although SSG is expected to improve QoQ and mainly in 2H25 2) RM prices are expected to remain stable with no major inflation issue 3) Gross margin is expected to remain stable with improving terms with vendors 4) Delivery & drive thrus continue to outperform dine-in 5) On-premise declined by 3% led by lower footfalls however off-premise grew 6% YoY, Drive thru sales were flat 6) Higher royalty, rise in marketing spends & operating deleverage dragged margins in Q1 7) Value menu continue to see traction with its share increasing. WFL launched new chicken surprise burger @Rs75 to strengthen its value offering portfolio in 1Q25 8) As of now no price hikes are expected but WFL usually takes hike of 3%-5% every year. 9) WFL to add 40-45 stores in FY25 10) Menu innovation with focus on café will further drive growth 11) Digital sales grew 8% YoY, now contributing 69% to overall business 12) FY25 capex expected to be of Rs2bn-Rs2.5bn.

**Exhibit 1: 1QFY25 Results - Net Sales up by 0.3%, EBITDA Margins fell ~419bps to 12.8% YoY**

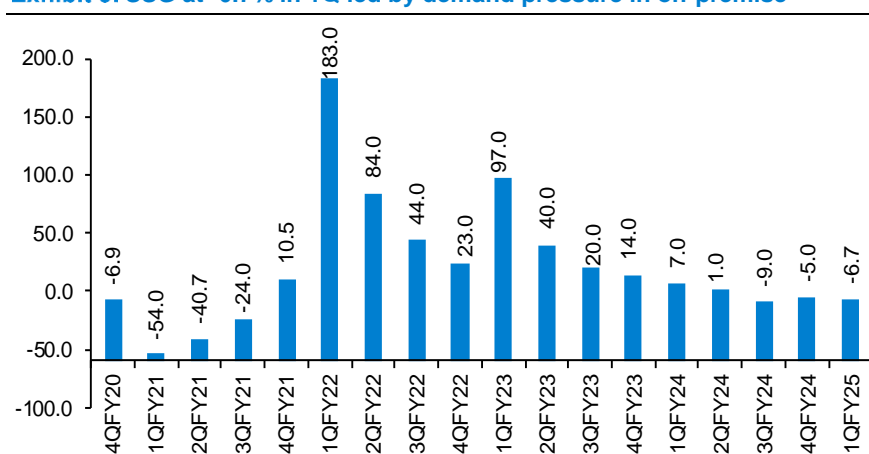
Consolidated (Post Ind AS)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	FY24	FY23	YoY gr. (%)
<b>Net Sales</b>	<b>6,163</b>	<b>6,145</b>	<b>0.3</b>	<b>5,623</b>	<b>23,918</b>	<b>22,782</b>	<b>5.0</b>
Gross Profit	4,362	4,337	0.6	3,945	17,234	15,886	8.5
<i>% of NS</i>	<i>70.8</i>	<i>70.6</i>	<i>0.2</i>	<i>70.2</i>	<i>72.1</i>	<i>69.7</i>	<i>2.3</i>
Other Expenses	3,576	3,295	8.5	3,196	13,541	12,146	11.5
<i>% of NS</i>	<i>58.0</i>	<i>53.6</i>	<i>4.4</i>	<i>56.8</i>	<i>56.6</i>	<i>53.3</i>	<i>3.3</i>
<b>EBITDA</b>	<b>786.1</b>	<b>1,041.6</b>	<b>(24.5)</b>	<b>749.2</b>	<b>3,693.1</b>	<b>3,740.5</b>	<b>(1.3)</b>
<i>Margins %</i>	<i>12.8</i>	<i>16.9</i>	<i>(4.2)</i>	<i>13.3</i>	<i>15.4</i>	<i>16.4</i>	<i>(1.0)</i>
Depreciation	494	428	15.3	499	1,822	1,522	19.7
Interest	298	260	14.7	282	1,097	927	18.3
Other Income	51	53	(3.2)	52	185	203	(9.2)
<b>PBT</b>	<b>45</b>	<b>406</b>	<b>(88.9)</b>	<b>20</b>	<b>958</b>	<b>1,495</b>	<b>(35.9)</b>
Tax	12.6	117.5	(89.3)	11.9	266.3	378.7	(29.7)
<i>Tax rate %</i>	<i>27.9</i>	<i>29.0</i>		<i>60.9</i>	<i>27.8</i>	<i>25.3</i>	
<b>Adjusted PAT</b>	<b>33</b>	<b>288</b>	<b>-89</b>	<b>8</b>	<b>692</b>	<b>1,116</b>	<b>-38</b>

Source: Company Data, PL Research

**Exhibit 2: Avg sales/growth degrev by 10% YoY with Pre Inds AS margin at 8.1%**

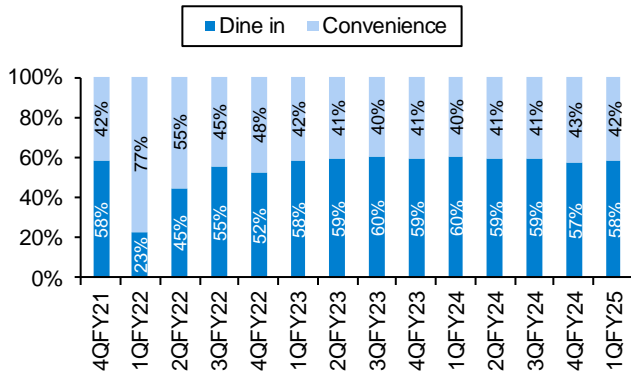
Particulars	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
<b>No. of stores</b>	341	357	361	370	380	397	403
Store Additions	4	16	4	9	10	17	6
System Avg. sales/store	18.0	15.9	17.1	16.8	16.0	14.5	15.4
Growth	20%	14%	5%	-2%	-11%	-9%	-10%
<b>Pre IndAS EBITDA</b>	877	669	793	732	685	487	502
Growth			51%	-19%	-10%	-44%	-25%
Pre IndAS EBITDA margin%	14.3%	12.0%	12.9%	11.9%	11.4%	8.7%	8.1%
<b>McCafe SIS</b>	288	311	315	327	343	360	371
% Of total stores	84%	87%	87%	88%	90%	91%	92%

Source: Company, PL

**Exhibit 3: SSG at -6.7% in 1Q led by demand pressure in on-premise**


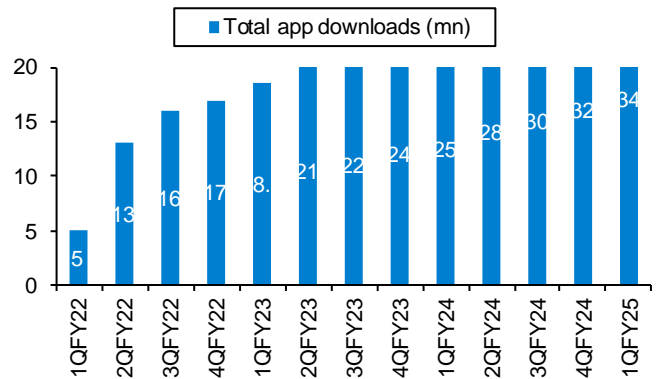
Source: Company, PL

**Exhibit 4: Off-premise sales stabilizing at ~40-42%**



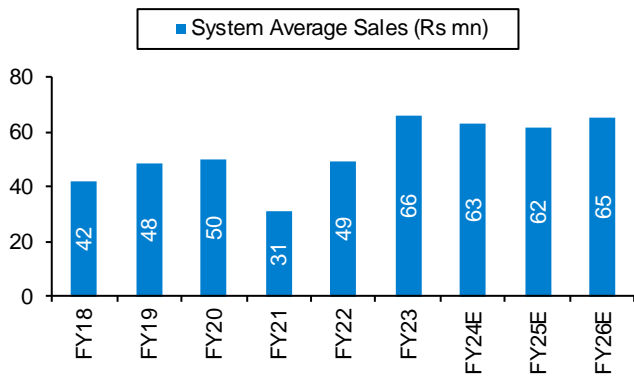
Source: Company, PL

**Exhibit 5: Backed by increase in app installations**



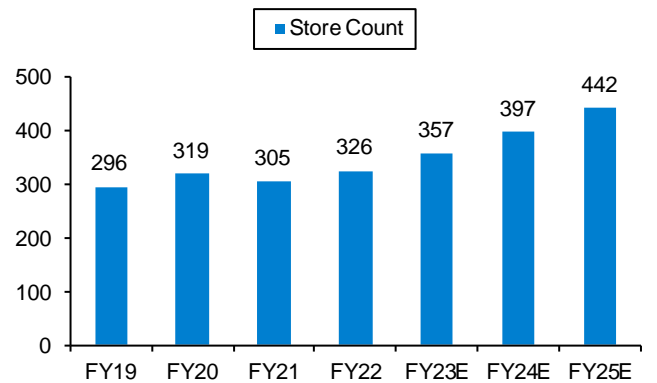
Source: Company, PL

**Exhibit 6: System average sales CAGR 2% over FY23-26**



Source: Company, PL

**Exhibit 7: Expect 103 stores addition over FY25-26E**



Source: Company, PL

**Exhibit 8: Innovative menu offerings**

**Menu Initiatives**



**Mango Desserts**



**McVeggie & McChicken Fiesta**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>22,775</b>	<b>23,909</b>	<b>26,179</b>	<b>30,595</b>
YoY gr. (%)	44.5	5.0	9.5	16.9
Cost of Goods Sold	6,649	7,107	7,592	8,720
Gross Profit	16,127	16,802	18,587	21,875
Margin (%)	70.8	70.3	71.0	71.5
Employee Cost	3,106	3,285	3,965	4,611
Other Expenses	9,287	4,053	4,115	4,701
<b>EBITDA</b>	<b>3,734</b>	<b>3,684</b>	<b>3,957</b>	<b>5,020</b>
YoY gr. (%)	97.8	(1.3)	7.4	26.8
Margin (%)	16.4	15.4	15.1	16.4
Depreciation and Amortization	1,522	1,822	2,066	2,406
<b>EBIT</b>	<b>2,212</b>	<b>1,862</b>	<b>1,892</b>	<b>2,613</b>
Margin (%)	9.7	7.8	7.2	8.5
Net Interest	927	1,097	1,255	1,415
Other Income	203	194	160	131
<b>Profit Before Tax</b>	<b>1,488</b>	<b>958</b>	<b>796</b>	<b>1,329</b>
Margin (%)	6.5	4.0	3.0	4.3
Total Tax	379	266	211	352
Effective tax rate (%)	25.4	27.8	26.5	26.5
<b>Profit after tax</b>	<b>1,110</b>	<b>692</b>	<b>585</b>	<b>977</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,110</b>	<b>692</b>	<b>585</b>	<b>977</b>
YoY gr. (%)	(6,759.7)	(37.6)	(15.4)	66.9
Margin (%)	4.9	2.9	2.2	3.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,110</b>	<b>692</b>	<b>585</b>	<b>977</b>
YoY gr. (%)	(6,759.7)	(37.6)	(15.4)	66.9
Margin (%)	4.9	2.9	2.2	3.2
Other Comprehensive Income	10	(7)	-	-
Total Comprehensive Income	1,119	685	585	977
<b>Equity Shares O/s (m)</b>	<b>156</b>	<b>156</b>	<b>156</b>	<b>156</b>
<b>EPS (Rs)</b>	<b>7.1</b>	<b>4.4</b>	<b>3.8</b>	<b>6.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>22,167</b>	<b>26,350</b>	<b>31,334</b>	<b>36,496</b>
Tangibles	21,337	25,489	30,399	35,485
Intangibles	831	860	935	1,010
<b>Acc: Dep / Amortization</b>	<b>6,404</b>	<b>8,646</b>	<b>10,711</b>	<b>13,118</b>
Tangibles	5,988	8,182	10,197	12,547
Intangibles	416	463	515	570
<b>Net fixed assets</b>	<b>15,763</b>	<b>17,704</b>	<b>20,623</b>	<b>23,378</b>
Tangibles	15,349	17,307	20,202	22,938
Intangibles	414	397	420	440
Capital Work In Progress	567	447	447	447
Goodwill	466	466	466	466
Non-Current Investments	81	6	684	774
Net Deferred tax assets	604	708	700	686
Other Non-Current Assets	453	424	525	565
<b>Current Assets</b>				
Investments	1,299	1,380	654	918
Inventories	714	632	790	884
Trade receivables	107	173	143	168
Cash & Bank Balance	284	141	241	(14)
Other Current Assets	142	157	110	110
<b>Total Assets</b>	<b>20,989</b>	<b>22,858</b>	<b>25,447</b>	<b>28,448</b>
<b>Equity</b>				
Equity Share Capital	312	312	312	312
Other Equity	5,347	5,571	5,876	6,511
<b>Total Networkth</b>	<b>5,659</b>	<b>5,883</b>	<b>6,188</b>	<b>6,823</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	2,070	2,390	2,190	1,990
Provisions	130	99	189	243
Other non current liabilities	10,289	11,553	13,799	16,007
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	2,841	2,933	3,080	3,384
<b>Total Equity &amp; Liabilities</b>	<b>20,989</b>	<b>22,858</b>	<b>25,446</b>	<b>28,448</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	1,495	958	796	1,329
Add. Depreciation	1,522	1,822	2,066	2,406
Add. Interest	927	1,097	1,255	1,415
Less Financial Other Income	203	194	160	131
Add. Other	2,688	2,959	3,819	3,266
Op. profit before WC changes	6,632	6,837	7,936	8,416
Net Changes-WC	656	168	(613)	97
Direct tax	(379)	(266)	(211)	(352)
<b>Net cash from Op. activities</b>	<b>6,909</b>	<b>6,738</b>	<b>7,112</b>	<b>8,161</b>
Capital expenditures	(3,874)	(3,643)	(4,985)	(5,161)
Interest / Dividend Income	-	-	-	-
Others	206	(82)	726	(263)
<b>Net Cash from Inv. activities</b>	<b>(3,668)</b>	<b>(3,725)</b>	<b>(4,259)</b>	<b>(5,425)</b>
Issue of share cap. / premium	(3,280)	(3,118)	(3,268)	(3,193)
Debt changes	60	320	(200)	(200)
Dividend paid	-	(536)	(205)	(342)
Interest paid	(927)	(1,097)	(1,255)	(1,415)
Others	958	1,275	2,174	2,159
<b>Net cash from Fin. activities</b>	<b>(3,189)</b>	<b>(3,156)</b>	<b>(2,754)</b>	<b>(2,991)</b>
<b>Net change in cash</b>	<b>52</b>	<b>(143)</b>	<b>100</b>	<b>(255)</b>
Free Cash Flow	3,035	3,095	2,128	2,999

Source: Company Data, PL Research

**Key Financial Metrics**

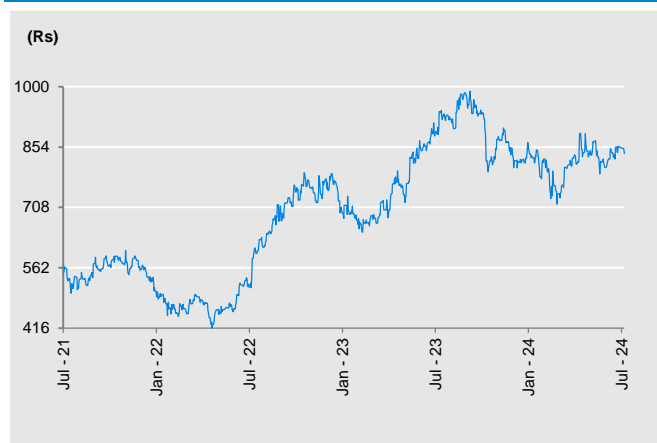
Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	7.1	4.4	3.8	6.3
CEPS	16.9	16.1	17.0	21.7
BVPS	36.3	37.7	39.7	43.8
FCF	19.5	19.8	13.6	19.2
DPS	-	3.4	1.3	2.2
<b>Return Ratio(%)</b>				
RoCE	30.8	23.3	22.7	30.4
ROIC	11.4	8.7	7.7	9.5
RoE	21.6	12.0	9.7	15.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.1	0.1	0.2	0.2
Net Working Capital (Days)	-	-	-	-
<b>Valuation(x)</b>				
PER	117.1	187.7	221.9	133.0
P/B	23.0	22.1	21.0	19.0
P/CEPS	49.4	51.7	49.0	38.4
EV/EBITDA	34.9	35.5	33.2	26.1
EV/Sales	5.7	5.5	5.0	4.3
Dividend Yield (%)	-	0.4	0.2	0.3

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25
<b>Net Revenue</b>	<b>6,147</b>	<b>6,003</b>	<b>5,623</b>	<b>6,145</b>
YoY gr. (%)	7.4	(1.8)	1.1	-
Raw Material Expenses	1,837	1,784	1,678	1,801
Gross Profit	4,310	4,219	3,945	4,345
Margin (%)	70.1	70.3	70.2	70.7
<b>EBITDA</b>	<b>982</b>	<b>920</b>	<b>749</b>	<b>768</b>
YoY gr. (%)	2.4	(10.0)	(15.5)	(26.2)
Margin (%)	16.0	15.3	13.3	12.5
Depreciation / Depletion	439	455	499	494
<b>EBIT</b>	<b>543</b>	<b>465</b>	<b>250</b>	<b>274</b>
Margin (%)	8.8	7.7	4.4	4.5
Net Interest	274	281	282	298
Other Income	33	47	52	51
<b>Profit before Tax</b>	<b>302</b>	<b>231</b>	<b>20</b>	<b>27</b>
Margin (%)	4.9	3.8	0.3	0.4
Total Tax	78	59	12	13
Effective tax rate (%)	26.0	25.3	60.9	46.2
<b>Profit after Tax</b>	<b>224</b>	<b>172</b>	<b>8</b>	<b>15</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>224</b>	<b>172</b>	<b>8</b>	<b>15</b>
YoY gr. (%)	(29.1)	(52.6)	(96.2)	(94.9)
Margin (%)	3.6	2.9	0.1	0.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>224</b>	<b>172</b>	<b>8</b>	<b>15</b>
YoY gr. (%)	(29.1)	(52.6)	(96.2)	(94.9)
Margin (%)	3.6	2.9	0.1	0.2
Other Comprehensive Income	(4)	-	(4)	(2)
<b>Total Comprehensive Income</b>	<b>219</b>	<b>172</b>	<b>3</b>	<b>13</b>
Avg. Shares O/s (m)	18	18	18	18
<b>EPS (Rs)</b>	<b>12.4</b>	<b>9.6</b>	<b>0.4</b>	<b>0.8</b>

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-24	Hold	815	854
2	08-May-24	Hold	815	870
3	09-Apr-24	Hold	820	814
4	02-Feb-24	Hold	825	847
5	08-Jan-24	Hold	839	828
6	26-Oct-23	Hold	844	883
7	07-Oct-23	Hold	958	955
8	05-Oct-23	Hold	958	958
9	27-Jul-23	Accumulate	932	898

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,605	2,974
2	Avenue Supermarts	Accumulate	5,104	4,944
3	Britannia Industries	Hold	5,315	5,547
4	Colgate Palmolive	Reduce	2,414	2,910
5	Dabur India	UR	-	606
6	Emami	UR	-	725
7	Hindustan Unilever	Hold	2,698	2,766
8	ITC	Accumulate	491	434
9	Jubilant FoodWorks	UR	-	570
10	Kansai Nerolac Paints	Reduce	266	267
11	Marico	Accumulate	621	615
12	Metro Brands	Hold	1,190	1,218
13	Mold-tek Packaging	Accumulate	843	796
14	Nestle India	Accumulate	2,695	2,574
15	Pidilite Industries	Accumulate	3,141	3,100
16	Restaurant Brands Asia	Accumulate	134	114
17	Titan Company	Accumulate	3,545	3,269
18	Westlife Foodworld	Hold	815	854

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly





## ANALYST CERTIFICATION

### (Indian Clients)

We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### (US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## DISCLAIMER

### Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

### **Prabhudas Lilladher Pvt. Ltd.**

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

[www.plindia.com](http://www.plindia.com)